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**May 2011 Monthly Report for MTC**

**To: Steve Heminger, Executive Director  
MTC**

**From: Tom Bulger, President GRI**

**Re: Monthly Report for May 2011**

- **Obama Administration's Authorization Bill**
- **Senate Finance Committee Hearing on Transportation Funding**
- **U.S. Conference of Mayors Transportation Survey and Report**
- **Brookings Institution Transit Study Results**
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### **Obama Administration's Authorization Bill**

A leaked, draft version of the President's six year transportation authorization bill seeks to allow states and local governments greater authority to impose road and bridge tolls. The draft bill is viewed as a trial balloon by the Administration in order to gauge political support.

Two new toll collection options are suggested in the draft:

- The first focuses on metropolitan congestion reduction and would allow states and local governments in metropolitan areas with a population of more than 1 million to toll existing interstate and non-interstate routes in order to improve or reduce congestion.
- The second option focuses on the national interstate highway system and would allow states and other public authorities to impose tolls on interstate bridges, tunnels and highways for the purpose of initially constructing the facilities or to add one or more lanes to the facilities (including high occupancy vehicle lanes).

The bill also includes a study on moving toward mileage-based, user fee financing versus fuel taxes by establishing and funding a Surface Transportation Revenue Alternatives Office within the Federal Highway Administration to analyze the feasibility of implementing a national mileage-based user fee.

### **Senate Finance Committee Hearing on Transportation Funding**

On May 17, the Senate Committee on Finance held a hearing on how to pay for infrastructure investments in the transportation authorization bill. Perhaps the best way to understand the funding situation came from Senator John Kerry, D-Mass., who said "we're in a crazy place right now."

Chairman Max Baucus, D-Mont., stated he is in favor of a two-year authorization due to current funding constraints, while Ranking Minority Member Orrin G. Hatch, R-Utah, said that "the President's push for infrastructure building is just a 'President Carter era message' of tax and spend that's been rebranded to be more palatable to the American public." Former Pennsylvania governor Ed Rendell disputed Senator Hatch's comments and stated that investment in infrastructure is worthwhile, provides value, and improves the quality of life for the American people. Gabriel Roth, a conservative transportation economist, contended that the federal government should not be financing infrastructure outside of what the Highway Trust Fund can afford. Further, he stated that federal transportation funding forces road users to pay for non-road projects, referring to enhancements. Governor Rendell also voiced his long standing argument that the federal government should establish a capital budget.

Additionally, Senator Kerry voiced strong supports for an independent bank run by bankers — not like the President's bank proposal or the Rockefeller/Lautenberg bill, which would create an Infrastructure Bank within the U.S. Department of Transportation (DOT) — and he concluded that no Republican would vote for any increases in revenue, no matter where they might come from. We are in a crazy place right now.

### **U.S. Conference of Mayors Transportation Survey and Report**

The U.S. Conference of Mayors released the results of a 176 city survey in May concerning the future of local transportation infrastructure investments. The survey's report called on the federal government to lower the priority of highway funding in favor of metropolitan needs.

### **Brookings Institution Transit Study Results**

On May 12, the Brookings Institution hosted a briefing on how well transit systems connect workers to jobs. Their report analyzed 371 transit systems ranging from buses to ferries to subways and used schedule and mapping data to make national rankings. The San Jose-Santa Clara-Sunnyvale metro area ranked No. 2, while the San Francisco-Oakland-Fremont metro area ranked No. 16.

### **California Receives High Speed Rail Funds**

On May 10, the federal government awarded an additional \$300 million in high-speed rail funds to California. The funds were part of the \$2 billion that the State of Florida returned to the federal government. According to the California High-Speed Rail Authority, the funds will allow for another 20 miles of track in the San Joaquin Valley.

### **New Automobile Labels Announced**

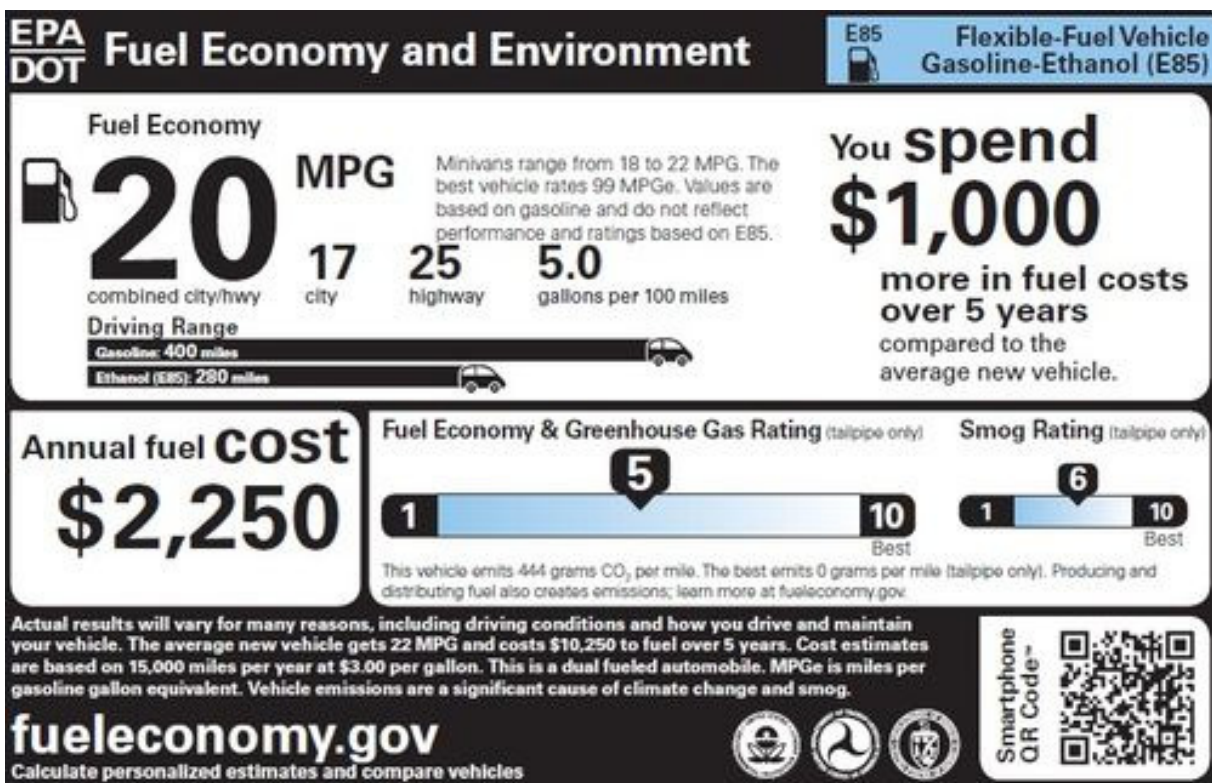
On May 24, the DOT unveiled a new automobile label. The revisions on this gasoline label mark the first such change in more than 30 years. As consumers grow more aware of the importance of fuel efficiency, it is becoming more important than ever to equip consumers with useful information they can use when considering what vehicle to purchase. This new label is a part of President Obama's plan to provide Americans with relief from high gas prices, as well as to decrease America's dependency on foreign oil.

One of the major new features is a QR (quick response) code, also known as a bar code, which allows consumers to scan on-the-go using a Smartphone then stores that vehicle's information to later compare fuel efficiency ratings on other cars in consideration. The timing for this label could not be better. In a recent poll, the consumers union found that 62 percent of would-be buyers said fuel consumption was a priority, while 73 percent said they would consider buying electric or hybrid vehicles in the future. Fuel efficiency is quickly becoming one of the most important factors for prospective car buyers.

The label will begin appearing in 2012 and 2013 models. Annual fuel cost estimates is the only feature that remains from the old label. Combined fuel economy is a new feature that provides a weighted average for combined miles per gallon for city and highway driving, in addition to separate city and highway values. A new fuel consumption rate is found on the new label, which

shows how many gallons per 100 miles the specified vehicle burns. The label also includes a new fuel economy and greenhouse gas rating, which uses a 1-10 scale to rate fuel economy as well how much carbon dioxide the vehicle's tail pipe emits for each mile driven. Another new feature is an estimate of how much more or less the vehicle will cost to fuel over the next five years compared to the average new vehicle. Along with the type of fuel the vehicle takes, there is also a new smog rating that also uses a 1-10 scale to rate vehicle tail pipe emissions of smog.

As fuel prices have skyrocketed more than a dollar in the last year, Americans have grown more aware and conscious of the importance of fuel efficiency in new vehicles. This year the average new vehicle gets 22 miles per gallon, at a cost of \$10,250 over five years. With these costs it is important for consumers to have information. With this new label, consumers are easily able to compare prices and statistics to help them make financially responsible decisions.



### May Meetings Update

On May 16, Executive Director Steve Heminger and I attended a number of Association of Metropolitan Planning Organizations (AMPO) related meetings. Below is a brief description of each meeting.

*Rep. Nick Rahall, D-W.Va. & Mr. Steve Feldgus*

We met to discuss transportation authorization with Mr. Feldgus and Rep. Rahall, the Ranking Minority Member of the House Committee on Transportation & Infrastructure (T&I).

Mr. Feldgus said committee Democrats are not working with their Republican counterparts on

the long awaited highway/transit authorization bill. He mentioned that the bill's funding level of \$212 billion over six years would equate to an estimated 25 to 30 percent reduction from 2005 SAFETEA funding levels. Finally, he added that if a Republican led bill ever gets to the House floor it would be a tough vote.

*House T&I Majority Staff*

We met with Ms. Jennifer Hall, majority staff from the House T&I Committee. Ms. Hall reported there would be a draft authorization bill by early June, with full committee markup by the end of June. The six year bill will include drastically lower funding levels versus previous authorization bills. She noted that the bill would not contain earmarks, but would call for project streamlining.

*Senate EPW*

We met with Senate Committee on Environment and Public Works (EPW) staff, including Majority Senior Policy Advisor David Napoliello, Senior Economist James O'Keefe, and Professional Staff Alex Herrgott. They are hopeful that committee markup will be completed by June 22, 2011, and added that EPW will produce a Draft of Principles for outside comment. Minority staff added that they would like to include project streamlining proposals submitted by Will Kempton of the Orange County Transportation Authority, but doubted whether Chair Barbara Boxer would agree. They predicted a 25 percent chance of enacting an authorization bill this year.

*Deputy Secretary, U.S. DOT*

Mr. Heminger attended a meeting with DOT Deputy Secretary John Porcari and other Office of the Secretary staff. We learned that a new authorization proposal has been split between various Senate Committees and the House and is not being shared with the public.